



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Materion Allanol a Deddfwriaeth  
Ychwanegol](#)

[The External Affairs and Additional Legislation  
Committee](#)

23/10/2017

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Dawn Bowden <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Michelle Brown <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	UKIP Cymru UKIP Wales
Suzy Davies <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Mark Isherwood <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Steffan Lewis <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales
Jeremy Miles <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Eluned Morgan <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
David Rees <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)

**Eraill yn bresennol**  
**Others in attendance**

Dr Tim Peppin	Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association
Anthony Taylor	Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association
Michael Trickey	Gwasanaethau Cyhoeddus Cymru 2025 Wales Public Services 2025
Dr Victoria Winckler	Sefydliad Bevan Bevan Foundation

Vanessa Young                      Confederasiwn GIG Cymru  
Welsh NHS Confederation

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Alun Davidson                    Clerc  
Clerk

Manon George                    Y Gwasanaeth Ymchwil  
Research Service

Rhys Morgan                      Ail Glerc  
Second Clerk

Gemma Gifford                  Dirprwy Glerc  
Deputy Clerk

*Dechreuodd y cyfarfod am 14:07.*  
*The meeting began at 14:07.*

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau**  
**Introduction, Apologies, Substitutions and Declarations of Interest**

[1] **David Rees:** Good afternoon, and can I welcome Members and the public to this afternoon's session of the External Affairs and Additional Legislation Committee? This afternoon we'll be commencing our consideration of the preparedness of Wales's public and private sectors in relation to the exiting of the EU. Before we do that, can I take us through the housekeeping? Can I remind Members to please make sure your mobile phones and other devices are on silent or switched off, so that they're not interfering with the broadcasting equipment? Can I also remind Members that there are no scheduled fire alarms this afternoon? So, if one does occur, please follow the directions of the ushers to a safe place. There is simultaneous translation available on the headphones: channel 1 for Welsh to English, but if you require amplification, that's on channel 2—no it's not, it's on channel 0. It has changed. We have not received apologies this afternoon.

14:08

**Gwydnwch a Pharodrzydd: Ymateb Gweinyddol ac Ariannol  
Llywodraeth Cymru i Brexit—Sesiwn Dystiolaeth 1  
Resilience and Preparedness: the Welsh Government’s Administrative  
and Financial Response to Brexit—Evidence Session 1**

[2] **David Rees:** We’ll go, therefore, straight into our next item on the agenda, which is the first evidence session into those considerations. Can I welcome Dr Victoria Winckler from the Bevan Foundation and Michael Trickey from Wales Public Services 2025? Good afternoon. Can I thank you for coming this afternoon? I’m fully aware that you came to us approximately 12 months ago, in our initial view on this. Clearly, this gives us an opportunity to explore how you have seen things progress and how you have seen, perhaps, the various bodies within Wales prepare or not, as it may be—that’s what we’re trying to find out—for the exiting of the union, which we now know, because of article 50 being invoked, is scheduled to be in March 2019. We’ll go straight into questions if that’s okay with you, and we’ll start with Dawn Bowden.

[3] **Dawn Bowden:** Thank you, Chair. Good morning, both, it’s nice to see you—or good afternoon, even. [*Laughter.*] It’s nice to see you both here. When you were here last time we were talking all kinds of ifs, buts and maybes, and we’re still in that arena, really, of ifs, buts and maybes, but I think probably what’s come onto the table since then is the real prospect of a ‘no deal’. I just wondered about your thoughts on that, and whether you think, in terms of Welsh Government preparedness around that, it’s as robust as it should be. Just your general thoughts around that, really.

[4] **Dr Winckler:** Shall I go first? I think, in some ways, ‘no deal’ appears as a change, but in other ways ‘no deal’ has always been something that’s been on the agenda. I think the challenge is knowing what a ‘no deal’ scenario would actually mean for individuals, for businesses and for public services. There is a job to be done to begin to sketch out what the parameters of that might mean. You yourselves have made a start by looking at ports, but there is a lot more to do. Some sectors of industry have much more exposure to world trade rules than others. For your average corner shop or those kinds of businesses, it will have little effect at all. There are also big unknowns in terms of the impact on the movement of people. Would people who are from other EU countries go back very quickly? We just don’t know. But I think some scenario planning would be very helpful and would help to inform

contingency planning, and also positions. At the moment, I'm not aware that that work's being done, and I think we just don't know what the implications might be.

[5] **Dawn Bowden:** Okay, thank you.

[6] Michael, do you have anything to add to that?

[7] **Mr Trickey:** We saw you a year ago, and I don't think we're actually very much more advanced in our understanding of the implications of Brexit than we were a year ago. And the breadth of issues, which are quite significant issues in terms of finance and the economy and regulation, and so on, and the span of possibilities for all those issues, from 'no deal' at one extreme to colleagues of ours who've told us that they think Brexit might not happen at all, at the other end of the extreme. So, in a sense, we are in an extraordinary situation of having to cope with a potentially very wide span of possibilities from where we are now, and that's going to require some very—in terms of capacity of Government and of organisations to handle this, it is, I think, something that still hasn't been fully recognised.

[8] **Dawn Bowden:** The point I was going to make, actually, was that with the plethora of potential scenarios it becomes almost impossible either for Government or organisations to plan for every kind of eventuality, I'm guessing. So, what is it that we should be honing in on, I guess, is the question. Thank you, Chair.

[9] **David Rees:** You said you came by 12 months ago, and we aren't much different in understanding where we are, in the sense of the future at this point, than we were 12 months ago, and I appreciate that, but would you have expected a greater undertaking of work to prepare certain scenarios in readiness for—? Yes, there is a plethora, but there would have been some, I would have thought, that you would have focused upon: one would have been 'no deal', one would have been similar to where we are currently within the EU, and something in the middle. Are you disappointed that we don't seem to be there at this point in time?

[10] **Mr Trickey:** There are some things that—. I'm being slightly unfair; there are some things that have moved on. I think, broadly, there's a better understanding of what the agenda of issues looks like than there was a year ago. They've talked to public service organisations, umbrella bodies and so on. The good news is that they would come up with the same sorts of lists of

things to worry about, issues to be thinking about. But, in terms of planning for a range of eventualities, there is clearly some thinking and planning going on, but it seems to me that the fact that we don't quite understand exactly how far some of that planning has gone is a question. And it may be that this is about communication, or it may be that there is still much more work to be done.

14:15

[11] I suppose, in fairness, you'd have to say that the 'no deal' option seemed sort of remote a few months ago, and has suddenly seemed to become much more a live possibility over the last few months. So, even in terms of scenario and contingency planning, we're not dealing with a static position. The situation is shifting and changing all the time. So, that's a very particular challenge for Government and for organisations to cope with. But, at the moment, scenario planning seems relatively limited.

[12] **Dr Winckler:** I think, a year ago, personally, I would not have expected us to still have so little clarity and certainty. I think the reason why certainly we weren't urging scenario planning a year ago was that we thought we would know much more what the shape of the exit was going to look like by this time. For that reason, I don't think you can point particular fingers of blame for work not having been done, because at the time people didn't think it needed to be done. But, as Michael said, I think circumstances have changed in the last few months. I think we are looking at a very real possibility of a 'no deal' or a 'very limited deal' Brexit.

[13] **David Rees:** Eluned.

[14] **Eluned Morgan:** In the private sector, they would be and are preparing risk analyses, and they have clearly quite developed plans in some industries. We know that Goldman Sachs is already starting to look to pull out various posts from the United Kingdom. If it's good enough for the private sector, why shouldn't the public sector be doing it? I understand that it's far more complicated, but actually it's just as important, if not more important. Have you seen any evidence—? For example, on 3 July we were told by the Cabinet Secretary for Economy and Infrastructure that they were going to do a sector-by-sector analysis of the nine priority areas. Have you seen that analysis?

[15] **Dr Winckler:** No.

[16] **Eluned Morgan:** Are you aware of any other specific analysis that's been done?

[17] **Mr Trickey:** We understand that, for instance, in areas like agriculture and environment, there has been some activity going on, but the shape and nature of it we don't know, which I think partly links back to this communication issue. For scenario planning really to work in such a complex environment as the one we're talking about here, it really probably has to involve stakeholders across a wide range of public services to be part of the process.

[18] There are some aspects, probably the constitutional stuff and the legal stuff, where the interest is highly specialised and narrower, but some of the wider preparations and thinking about possibilities and options probably need to be engaging with public service organisations more generally. The thing we notice is that, by and large, the umbrella bodies—the Welsh Local Government Association, the Welsh NHS Confederation and the Wales Council for Voluntary Action, and so on—I think, are engaging at that level. But, when you get down to individual delivery organisations, the sense we have in common is that this all seems very, very remote to them and there's been very little thinking about how they should respond and what they should be doing.

[19] **Dr Winckler:** I think what I would say is: I don't think you would expect the public sector as a whole to necessarily make quite the same preparations as Goldman Sachs, because the exposure and the risks vary quite a lot. In local government, the risk, for example, from migrant workers moving back is relatively small because there aren't large numbers of migrant workers in local government, apart from social care, whereas in the NHS, the risk of certain elements of the NHS workforce no longer being in this country are much higher. So, I think we've got to have a slightly more nuanced view. At the end of the day, no matter what happens with Brexit, patients will still be turning up at their GP. The demand for those public services goes on. So, I would expect public sector organisations to have Brexit on their risk register, but quite how far up it is on that list should depend on their assessment, and would vary. I think that's reasonable.

[20] **David Rees:** Okay. Suzy.

[21] **Suzy Davies:** Funnily enough, that's my exact question—just about

risk registers. I've got some questions about workforce later on, but at the moment I'm not getting any sense from either of you that the public services have even worked out where their EU nationals are working and at what level. Or is that too broad brush a statement?

[22] **Dr Winckler:** My perception, which may not be Michael's, is that the majority of public sector organisations are waiting for direction and guidance. It's unclear to them what the risks and challenges to them are, and—

[23] **Suzy Davies:** So, they haven't done their own internal quick audit.

[24] **Dr Winckler:** I can't speak for all of them—

[25] **Suzy Davies:** No, that's fine.

[26] **Dr Winckler:** —but that's certainly the impression that we get and, in addition, there are huge problems with the evidence base. Do social care providers know how many of their workforce are from EU countries? No, they don't. Do they have a common definition of a vacancy, for example? We're told, 'No, they don't.' So, there are some big problems—. Do we know who the exporters are in Wales? I'm not sure that we do. We know the big ones, but do we know all the little ones? So, I—

[27] **Suzy Davies:** So, would it be—? Sorry to cut across. Would it be fair to say that whichever way the claims are made about the effect of Brexit on public services at the moment, whether it's 'Oh, it's a disaster' or 'Oh, it won't make any difference', neither of them is substantiated?

[28] **Dr Winckler:** My own view is: we do not know. We genuinely do not know. We can have some indications that this might happen or indications that that might happen, but we actually don't know, because a lot depends on people's behaviour. I mean, we do know to some extent what proportion of NHS doctors did their training in EU countries, but that's not to say all those doctors are going to go home, because that's down to individual decisions. So, hand on heart, we don't know.

[29] **Suzy Davies:** That's fine. Thank you.

[30] **Mr Trickey:** The sense we have is that the risk is greater within the health and social care sector than other public service sectors. So, talking to

colleagues in local government, they don't feel that recruitment and retention issues are going to be so big for them.

[31] **Suzy Davies:** But it's just a sense, it's not evidence based yet.

[32] **Mr Trickey:** It's not evidenced, no.

[33] **Suzy Davies:** Okay, thank you. Thank you, Chair.

[34] **David Rees:** Jeremy.

[35] **Jeremy Miles:** Can I just stay on this topic for a second? There are three separate but related issues, it seems to me. One is—and you both alluded to this—the lack of availability of data by which meaningful decisions can be made about outcomes. The second is the range of reasonable assumptions to be made about what you can do with that data if you have it. And the third is judgments about how you allocate resources to deal with either of those scenarios at a time when you're not flush with funding. It's probably a mix of all those three, it seems to me, which is behind the caution that it may be that public services are exhibiting. Is that a fair analysis to start with? Secondly, it strikes me as pretty extraordinary that, as a leader of a public sector organisation, I'm not thinking about how best to deploy some of those resources to tackle at least the evidence base, and I worry that people are just pointing and saying, 'Well, we haven't had the guidance yet.'

[36] **Dr Winckler:** I mean, I agree. I think—. In terms of allocation of resources, the risks are quite big, and therefore it would seem reasonable to me to allocate some of your organisation's modest resources, just as you would to the threat of fire or floods in your organisation. I think there is also a sense of people looking around waiting for somebody to tell them what to do, and, actually, in the absence of that it seems to me you do it yourself.

[37] **Jeremy Miles:** Absolutely.

[38] **Dr Winckler:** And there is an extraordinary—or what I would regard as extraordinary—lack of Wales-specific information and evidence.

[39] **Mr Trickey:** You cannot overestimate the focus of individual delivery organisations on the day to day—that's my practical experience. So, unless there is a collective push to think about the longer term and the kinds of issues that Brexit—in whatever way it turns out—is going to throw up, it will

need a degree of leadership from Government and from the umbrella organisations, and a clear sense of what the critical path needs to look like. And at the moment, I don't think, from conversations—and this isn't empirical research, this is largely impressionistic from talking to people—I don't feel that they have that sense of the critical path.

[40] **Jeremy Miles:** Can I just develop that? So, there needs to be political leadership that says, 'This is an urgent priority. You know, we recognise it involves diversion of existing day-to-day activity, but it needs to begin.' Where does the capacity, then, exist for the work to be done?

[41] **Dr Winckler:** Well, one would look at—. It certainly isn't in the Bevan Foundation, I can tell you that. [*Laughter.*] I mean, you know, there are resources across Wales in our universities and in the civil service, and it's surely not beyond—. You know, how much does a small unit cost to run? Not that much in the big scale of things.

[42] **Jeremy Miles:** But the data—. Sorry, just one final point: the data analysis bit of it, that, presumably, is something that is best done by organisations that are employing—. For example, in the context of workforce issues, that's obviously, I would have thought, best done by the health board or the local authority to ascertain where their staff originate from and what the risks are, therefore? Is it more complicated than that? Sorry if it is, but—.

[43] **Dr Winckler:** Well, it is and it isn't. I mean, you might have thought that an organisation that knows, or at least has some sense that it relies on quite a lot of migrant labour would begin to try to establish that in order to do its own forward planning. But I think there's also a sense in which it's just not clear, and that might be wasted effort, if it is the case that those who were here at a certain date enjoy the rights that they had before Brexit. You know, we just don't know what settled status means: how long do you have to be here? How long does it last? Does it apply to your family? Is it only for certain people? Is it for everyone? Can you afford to apply for it et cetera? So, there's an element of almost sitting just waiting, really. And I suppose people are mindful of not wanting to waste resources on something that might prove to be unnecessary.

[44] **Mr Trickey:** I mean, you could, if you were wanting to do the work that I think needs to be done on the workforce—it might not be the best idea just to ask every public service organisation to do something about the workforce. There needs to be some sort of common framework they're

working to, some common sense of definitions and methodology. And then I think it probably requires—if we were talking about health, but it would apply to every other sector—to get maybe the chief executives or the chairs together, so that there's a collective understanding of the job that needs to be done and how it's to be done, and then, as you said, organisations can then find the capacity to do it. But I think there is a risk in asking everybody to find their own solutions to it.

[45] **Jeremy Miles:** Yes, I can see that. Okay, thank you for that.

[46] **David Rees:** I have three more on this. Mark.

[47] **Mark Isherwood:** Thank you. Last Friday, we heard from Donald Tusk that divisions over people, money, the Irish border, were, quote, 'exaggerated', and that although the EU-27 weren't ready to move to the next stage of negotiations, they were nonetheless opening negotiations amongst themselves to prepare for that next stage. I also, at the request of the Department for Environment, Food and Rural Affairs, met a DEFRA Minister and civil servants in Bangor University after an outreach meeting they'd held there with external agencies and the university along the lines you describe. So, all that's going on, and the civil servants—not the Ministers—told me that they're already fully engaged in both the redrafting issues and the framework issues. To what extent did you, from what you're telling us, believe or understand that the Welsh Government is carrying out parallel work either alone or with UK Government and other agencies on a similar basis?

14:30

[48] **Dr Winckler:** We understand that there's an internal group—. Well, there's a unit and cross-departmental working within the Welsh Government, and then different departments within the Welsh Government are making their own arrangements to engage with their stakeholders. Our impression is that that's quite variable—that it's more advanced in some departments than others. A lot of the organisations we've talked to also get information and, in fact, get at least as much information from their parent or sister bodies in London. So, for example, Community Housing Cymru have told us that they get a lot of information from the National Housing Federation, with similar arrangements in some of the other bodies. Clearly, you know, they have to then do a translation task to convert that into the Welsh context. I think, on one hand, that's a reasonable information flow, but it needs to be matched,

in my view, with an information flow within Wales.

[49] **David Rees:** Steffan.

[50] **Steffan Lewis:** Just to go back to the point in terms of the data, because I think there was something that arose the last time we saw you last year that highlighted repeatedly that there was a deficit in information and in data, presumably, it wouldn't be impossible for somebody within the Welsh Government's health department to find a directory, I don't know, say, of GPs and ask the GPs a questionnaire of, 'Were you born in another EU state?' and 'In the event of a "no deal" Brexit, would you consider leaving?' Isn't this the kind of data capture that would pretty much be low-hanging fruit, rather than having to wait for—? As you rightly said, Michael, of course, you'd hope that the public services were just facing the day-to-day job of running the public services themselves and it would be up to Government to intervene, to step in and to get the data at least.

[51] **Dr Winckler:** There's data on where GPs did their training, and I think the nervousness about saying to EU-trained doctors, 'Would you go back?' is that they don't know in what context they would take a decision or not to return. I think, on some issues—and this is just a personal view—setting out some very clear statements of intent would at least help. So, if it is the Welsh Government's view that it wants to retain its NHS or social care workforce, then it could say, 'It is our intent to seek this sort of status'—the right to remain status or whatever you want to call it—'for this type of person', or if it is the case that they wish to retain certain trading deals, to say so. Because at least then, there is a statement of intent if nothing else. Even if it can't be, in due course, delivered, I think that would help to give some certainty and clarity.

[52] **Steffan Lewis:** Just a final thought on that: would it be right of me to suggest that you think the Welsh Government has not spent enough time perhaps making clear pronouncements on matters that are devolved? They've had a couple of publications over the summer relating to UK Government policy—reserved matters in the main, and understandably so, because of the implications—but has there not been enough of a detailed pronouncement of intent when it comes to those matters that are directly under the control of the Welsh Government?

[53] **Mr Trickey:** There are, I think, some communications issues that it would be good to address. It's always difficult to know at what time you

should do this, particularly in a situation as fluid as this one is. But things that people from public services say to us are that it would be helpful just to have a regular statement about the process—so, where things are at in terms of the Welsh Government and the negotiation process. And you could say, ‘Well, they should jolly well get it from the newspapers and so on.’ But actually getting an authoritative statement of position is always helpful. So, there’s something about making sure that everybody’s on board roughly with the process—‘So, we have the JMC.’ ‘So, what’s it doing?’ ‘Well, all the directions and that sort of thing’—that translates—. There is a sense in Government often, and I speak as a former civil servant so I’m probably right at the top of the guilty list in all this, that you think you’ve said something in a White Paper, and, by that process, it will have internalised across the system. That’s not how it is. And the point is, for this, you have to get it internalised across the system. So, there’s something about explaining that.

[54] There is something about engaging with the kinds of things you can talk about with the scenarios and the risk factors. So, yes, it ought to be low-hanging fruit. It probably is a low-hanging fruit, but it just needs a bit of direction and a sense of common approach to these things, about workforce and about procurement—so, how much procurement do we actually do and does each individual organisation do, through the EU rules, and that sort of thing—so that each organisation starts to build up, within the context of a common framework, an assessment of where it’s at and what its vulnerability to change is. I think those sorts of things probably are low-hanging fruit, and it may be that they’re happening. We couldn’t, hand on heart, say that we’ve gone to every organisation, but the sense we’ve had from all the discussions that we’ve both been involved in is that public service organisations are, by and large, in, kind of, waiting mode and it may be that that needs to shift.

[55] **Dr Winckler:** If I could just illustrate that with an example. At the moment, the amount of waste that should be recycled, the target for that is set by the EU. Even a statement that says, ‘After Brexit, it is our intention to retain this target’, or ‘abandon it’ or ‘increase it even further’, would be very helpful to local authorities that are actually having to take decisions right now on what kind of waste recycling facilities they invest in. And even if it is business as usual after Brexit insofar as the Welsh Government can deliver, I think that would begin to give at least some certainty so that people can make informed decisions.

[56] **David Rees:** Eluned and then Jeremy, your last one on this particular

theme.

[57] **Eluned Morgan:** I just wondered, in terms of the EU citizens in the EU, whether we're doing a slight disservice to the Welsh Government because actually, their paper, 'Brexit and Fair Movement of People'—there was some analysis in there and there were some really good figures in there. If you look, for example, at social care, they were very specific: 3 per cent were from the EU, 5 per cent were not from the EU; for higher education, 12 per cent are migrants, 7 per cent are from the EU; for tourism, 11 per cent are general migrants, 5 per cent are EU; for construction—. So, actually, they clearly have a lot of this data, so what exactly are you saying is missing? It's the granularity of it, is it, or what?

[58] **Dr Winckler:** The social care umbrella bodies will say that they don't know. So—

[59] **Eluned Morgan:** So, where has the Welsh Government got those figures from, then?

[60] **Dr Winckler:** I suspect from looking at labour force survey data, but I can't remember without having the report in front of me, and that always has a margin of error. But, even within that, say within the NHS, it's not detailed enough to know where your real risks are. I forget what figure you quoted, Eluned, but that percentage is a very broad percentage, but if all those happened to be, say, anaesthetists, you've got a different problem for if they're distributed within the workforce. So, I think they're quite helpful as headlines, as broad indicators of where the EU workers are, but they aren't necessarily specific enough to help you to do your contingency planning.

[61] **Eluned Morgan:** So, in terms of where they've come from, they say that's come from the national minimum data set for social care.

[62] **Dr Winckler:** Right, okay.

[63] **Mr Trickey:** Just on the social care sector, what they said was that specific data isn't available for Wales. So, what they've done is a sort of pro rata calculation on the basis of UK stuff—

[64] **Eluned Morgan:** Of England.

[65] **Mr Trickey:** It's not an unreasonable basis. I'm not saying that at all,

but if you wanted to drill down to individual organisations, all I'm saying is that the job isn't done yet, or not obviously done yet.

[66] **Eluned Morgan:** Right. So, they just go, 'UK—that's just a proportion of that'.

[67] **Mr Trickey:** Yes.

[68] **Eluned Morgan:** Okay, thank you.

[69] **Jeremy Miles:** You've both talked about communication issues and you've both talked about this culture or instinct to wait until the guidance is provided. In terms of the external engagement of the Welsh Government with, say, health boards or with local authorities, how would that look in terms of the best forum to deliver the level of reassurance that you feel might be needed by those sectors? So, is it a bimonthly meeting of the chief executives where the scenarios are described and pilots allocated between authorities? What does it look like, do you think, for that to offer the right level of urgency and support to the task?

[70] **Mr Trickey:** Without offering a chart full of frequencies and so on, broadly what it needs, it seems to me, is a shared understanding between the senior figures in the organisations and the relevant people in the Welsh Government about what the job is and making sure that everybody's satisfied they've got the tools and techniques for doing the job. So, in terms of the data and the risk planning, I think you can handle it through that.

[71] In terms of regular communications, I'm really not a communications expert, but there needs to be some process and means by which there is a regular sense of engagement between Government and public service organisations. There are lots of mechanisms in place now, I think, and it may be just a question of fine-tuning those and getting them focused, and making sure that that actually gets through within organisations, because this is not just an issue of saying, 'This is all the Government's problem'; it's also a challenge for the leaders of the organisations and their internal communications, and we know that they often aren't as good as you might want them to be. But until that starts to happen, we're going to be operating maybe at a level of generality, which is not helpful in terms of trying to get a clear sense of what the exposure and vulnerability is.

[72] **Jeremy Miles:** Thank you.

[73] **David Rees:** Jeremy, do you want to ask about integration strategies?

[74] **Jeremy Miles:** On what, I'm sorry?

[75] **David Rees:** Integration strategies.

[76] **Jeremy Miles:** I think that flows from what's been said, really, in the sense that it's hard to mitigate if you don't know what the scenarios are, so I think I'm fine on that.

[77] **David Rees:** Okay.

[78] **Dr Winckler:** Just simply breaking down what the issues are for public sector organisations is in itself quite helpful. It seems to us that those are around trade and the supply chain, workforce issues, changes to regulations, changes in public finance and then how you prepare for all that. And, actually, when I've done some work, I've been quite surprised at how helpful people have found what I would regard as quite a simplistic list, because they haven't had the issues structured in that way.

[79] **Jeremy Miles:** And you could take that—sorry, Chair—presumably a step further and you could say, 'Look, this particular health board or this particular local authority leads on the creative thinking around how this one issue could play out', and then it's a project and the consequences of that are significant, and then you focus on one organisation to lead on it, and that could become best practice. Presumably, you'd try and do something like that.

[80] **Dr Winckler:** Yes.

[81] **Jeremy Miles:** Okay.

[82] **David Rees:** Suzy, do you want to ask anything on the workforce?

[83] **Suzy Davies:** Yes, bearing in mind that we're not very clear on what the workforce issues are that are actually going to materialise. I appreciate we've got the headline figures, but I don't know whether extrapolation works terribly well in Wales. You can't compare the workforce in London with the workforce in Aberystwyth, for example. But there are things we might have expected to see happen by now, which is an understanding by further

education colleges and schools, for example, that healthcare jobs and certainly social care jobs are going to be needed to be filled anyway regardless of Brexit, because there's a shortage full stop. Do you get any sense that there's work being done not just on filling spaces in colleges, but that colleges are promoting those careers as careers as opposed to just jobs you do when you can't think of anything else to do?

[84] **Dr Winckler:** I don't get a sense from FE, but we haven't particularly talked to them. What I would say is I think they're struggling to fill some of their social care provision anyway. But I do know that, both in the nursing profession and doctors profession generally, they are looking at changes in their training and registration. I think those are at a fairly early stage. There are proposals on the table, but changing that takes some time, and there will be a time lag because of the length of time that it takes, for example, to feed through into nurse training. Certainly, the Royal College of Nursing have some proposals that would speed up the registration—

14:45

[85] **Suzy Davies:** We've heard some proposals, actually. I don't know if the rest of you have, but, yes.

[86] **Dr Winckler:** But I think that's quite patchy and I'm not aware of others, but that's not to say they don't exist.

[87] **Suzy Davies:** No, I realise perhaps you couldn't answer the FE question, to be fair, but what about you, Mr Trickey? Anything seeping through anecdotally that colleges realise they've got to do some work on this?

[88] **Mr Trickey:** All we hear, and you're quite right, is that the issue about nursing shortages across the UK—

[89] **Suzy Davies:** And care as well.

[90] **Mr Trickey:**—is wider than just Brexit. There seems a much more fundamental challenge about recruiting the kind of care staff that public services need.

[91] **Suzy Davies:** And making it difficult is not what we want at the moment. Okay. Thank you very much.

[92] **David Rees:** Mark, do you want to ask about the opportunities?

[93] **Mark Isherwood:** Yes. We've heard a lot, very persuasively and eloquently from you, about the challenges—an often undermined word. What awareness is there, or needs there to be, of the potential opportunities that might arise from this process and what follows?

[94] **Dr Winckler:** In the work that I've done, I think businesses that already export are aware of the opportunities. They're exporting to the EU, they're aware that they need to be looking at other markets. If they're already exporting outside the EU, some of them are quite keen. They're quite keen; they can see advantages from Brexit for them. For the workforce, I think the other side of the recruitment difficulties is an opportunity to develop and train more of the existing Welsh workforce into those roles. But that will take time and we need to understand why it is that people aren't doing that now. There's nothing to stop people going and working in social care, so what's going wrong in the recruitment and training process so that we're needing to recruit migrant workers?

[95] In terms of the regulation side of things, I don't think there's much thought been given at all to how organisations might want to do things differently after Brexit, which, personally, I think is a great shame. And we just don't know in terms of public finances. We really don't know.

[96] **Mark Isherwood:** I know that you've written extensively on, for example, what's going wrong in the recruitment and training process to stop the workforce being better going forward. But that brings me to a question. Much of the responses we've heard today from you have been in the context of public sector services, but, of course, in Wales, as across elsewhere in the UK, a lot of the heavy lifting is done in the third sector. You mentioned Community Housing Cymru engaging directly, but not all those organisations have those international networks. So, what, in the context of the third sector, do you feel could be done better to drive engagement and unlock the expertise and social capital those organisations have?

[97] **Dr Winckler:** To some extent, you'd need to ask the Wales Council for Voluntary Action and the county voluntary councils. The concern in the third sector is very much around funding and particularly the loss of structural investment funds. And I think that's right. If you're an organisation that has relied on those income streams, it's not immediately obvious how those will

be replaced. But I think there's a role for the third sector to contribute more widely, for example, in thinking creatively about getting people into social care roles, for example. But that's not something we've had a part in.

[98] **Mark Isherwood:** Thank you.

[99] **David Rees:** Can I ask a question on public finances? Clearly, Mr Trickey, you've been involved in analysis of the budget and preparations for that, and particularly highlighting the local government versus health agenda. But do you think, from what you've seen in the analysis, that the Welsh Government has been preparing for financial implications of possible changes as a consequence of Brexit? And is the financial planning there from what you are seeing in that analysis?

[100] **Mr Trickey:** There are two kinds of financial issues. One is about the actual flow of EU funding and what happens once that stops. And then there's the second, slightly wider question, about what happens to public finances as a whole once Brexit has happened and whatever impact it's going to have on the economy is starting to make itself felt.

[101] On the second one, I think the Welsh Government's in a really difficult position. It might have a clearer picture once we've got a sense of the Chancellor's financial strategy, fiscal strategy, when he sets out the budget. But, at the moment, the anecdotal sense is that the Treasury's horizon is quite short at the moment, so thinking about anything beyond 2020 is out of the ordinary—it's really fairly short to medium term. And if it's short to medium term for the Treasury, it's very difficult to see that the Welsh Government's in very much a position to be much more than short to medium term itself. My take on the draft budget is that that's reflected exactly for that reason. It may be that the Chancellor's autumn budget will provide a clearer sense of a slightly longer-term direction. We'll have to wait and see what happens with that, but we know that the situation that he faces isn't any easier following the Office for Budget Responsibility's downgrading on productivity—or expected downgrading on productivity figures—and the implications of, for instance, the OECD's analysis of the week before last. So, although one senses that it would be really good to have a longer-term strategy, in a sense, it's quite hard to see, in the current situation, how that could be developed.

[102] On the issue of the EU funding, there are many other people who are closer to all this than I am, but I do sense there is quite a lot of thinking

going on now trying to shape what the future might need to look like. The OBR's working assumption is that all the EU transfers get recycled into public spending; well, that is an assumption rather than a matter of absolute policy commitment, I think. The Chancellor has talked about—and I forget the name of the fund—but, effectively, a UK economic development fund—

[103] **David Rees:** Shared prosperity fund.

[104] **Mr Trickey:** Shared prosperity fund. But, again, the basis on which that would work, and to what extent that would reflect the current distribution of development funding across the UK, are complete unknowns.

[105] **David Rees:** Just on one point, then, if the Chancellor's statement in late November doesn't give a long-term outlook, is that going to create greater uncertainty, and therefore greater concern over economic growth within the UK, and, therefore, in Wales in particular?

[106] **Mr Trickey:** There is bound to be concern, and I suspect—. I'd be very surprised if the Chancellor's statement doesn't in some way seek to try and address some of that. In terms of public services, I think the big issue is going to be whether there's a reasonable expectation of things getting worse or getting better in terms of public finances. And if the situation looks as though it's going to remain as it is now—so, the continuation of austerity, in one form or another—the pressure on public services to come up with other solutions as to how to keep the day-to-day operation of services operating effectively, in terms of some of the kinds of outcomes that people here and elsewhere talk about, I think, is going to loom larger. And behind that lie some very big capacity issues about finding the capacity to respond to those challenges, especially if you have Brexit running alongside further pressure on public finances. And it seems to me, if we get into that situation, then there really are some quite serious and worrying challenges ahead.

[107] **David Rees:** You highlight public services, but public finances, as we have often been told, are dependent upon the economy, so if the economy takes a hit as a consequence then clearly there's a knock-on effect. In relation to the transition period that's been talked about—I don't want to go into negotiations—is that more of a stability factor for the next few years, to allow the economy to stabilise and maintain, whilst those discussions come to a conclusion?

[108] **Mr Trickey:** I don't think it's actually been published yet. We've got the

letter from the five—the Confederation of British Industry and so on—addressing, as I understand it, in part, that issue. From my perspective—I don't think Victoria and I have discussed this, really—but a transition period seems to be absolutely essential in terms of the economy. If it's not there, I think we are on very, very thin ice indeed in terms of the economy, and the bigger organisations will take their own course.

[109] **Dr Winckler:** Yes, I agree.

[110] **David Rees:** Jeremy, do you want to come in?

[111] **Jeremy Miles:** Yes, but on a separate question, Chair. In terms of the scale of the potential impact on public services generally of something approaching a worst-case scenario, if I can put it like that—not that any of us can describe what that is in detail, obviously—are there any examples that you can think of in other countries of public services coming under this level of potential challenge in one short time frame, from which we can try and learn some lessons?

[112] **Dr Winckler:** That's a very interesting question, and the answer is 'no'. But it's certainly one where there might be some lessons to be drawn.

[113] **Eluned Morgan:** Greece, maybe.

[114] **Dr Winckler:** Well, that was the thought, yes.

[115] **Suzy Davies:** I had a quick question on transition, which was the reverse of your question, in a way. Has the announcement of the likelihood of a transition period reduced the sense of urgency in some of our public services to focus their attention on coming up with some scenario planning? You might not know, obviously.

[116] **Dr Winckler:** I don't know that—. It might have been a factor, but I don't know, to be honest. I just don't know.

[117] **Suzy Davies:** That's fine. That's a perfectly honest answer.

[118] **David Rees:** You can ask that question to the next panel. Time has come against us. Could I thank you very much for your evidence this afternoon? As normal, you will receive a transcript of the session. If there are any factual inaccuracies, please let the clerks know as soon as possible.

Thank you very much for your time.

[119] **Dr Winckler:** Thank you.

[120] **Mr Trickey:** Thank you very much.

[121] **David Rees:** I suggest we have a five-minute break.

*Gohiriwyd y cyfarfod rhwng 14:57 a 15:04.  
The meeting was adjourned between 14:57 and 15:04.*

**Gwydnwch a Pharodrwydd: Ymateb Gweinyddol ac Ariannol  
Llywodraeth Cymru i Brexit—Sesiwn Dystiolaeth 2  
Resilience and Preparedness: The Welsh Government’s Administrative  
and Financial Response to Brexit—Evidence Session 2**

[122] **David Rees:** Can I welcome Members back for this afternoon’s session of the External Affairs and Additional Legislation Committee, where we will be looking at the preparedness of public and private bodies for the UK’s exit from the EU? Can I welcome Vanessa Young, Councillor Anthony Taylor and Tim Peppin to this next session? For the record we’d like you to introduce yourselves and the body you represent and the role you have.

[123] **Ms Young:** I’m Vanessa Young. I’m director of the Welsh NHS Confederation.

[124] **Mr Taylor:** I’m Councillor Anthony Taylor. I’m deputy spokesman for the Welsh Local Government Association on Europe, energy and economic development.

[125] **Dr Peppin:** Tim Peppin. I’m the director of regeneration and sustainable development at the WLGA.

[126] **David Rees:** Thank you very much for that. Can I thank you for the written submissions we’ve received as well in relation to this matter? But, obviously, we want to explore a few avenues in relation to that and other aspects of preparedness, and, for a start, with Eluned Morgan.

[127] **Eluned Morgan:** Yes. Thank you. I just wondered—. Anthony, nice to see you, and Tim. I just wondered whether you could tell me, just a bit more

detail, how far you've gone at each local government level. Are you prepared? Has every county now done an analysis on how Brexit will affect them?

[128] **Mr Taylor:** I think the picture varies across the different counties. I think some have done a particular, specific plan on Brexit. Some of the other papers that have been coming through the process have included a risk assessment, if you like, of what's going to be involved. Across the whole 22, I think probably the vast majority have; there may be one or two exceptions that haven't.

[129] **Eluned Morgan:** And have they been given any guidance, Tim, from the WLGA, in terms of what they should be doing?

[130] **Dr Peppin:** Yes, we've done a number of things. We've reported to our executive board on some of the key issues, as we see them, around funding, policy, legislation, trade, impact on local labour market. We also conducted a survey of local authorities to gather some information from them on what they saw as the main issues affecting them locally in those areas. So, we've analysed the feedback from that exercise, we've shared that with the local authorities, and we'll continue to offer support, including through the involvement on the EU advisory group that the First Minister set up and Mark Drakeford chairs.

[131] **Eluned Morgan:** And how much guidance have you had from Welsh Government in terms of what the local authorities should be preparing for? Have they given you guidance and said, 'Look, actually, you should be preparing now for a "no deal" scenario?', or, 'It's too early to say'? What is the communication at the moment between you?

[132] **Dr Peppin:** There have been a number of reports that have been produced by the EU advisory group on behalf of them, which have been very helpful, setting out the overall position—they've looked at migration; there are plans for one on regional policy soon. And those documents are helpful, because they do set out Welsh Government thinking, and that's really what we need at this stage. We need to understand the thinking and be engaged and involved in that thinking at the development stage.

[133] **Eluned Morgan:** But the problem with Welsh Government thinking is that the extent to which it will be able to influence the major Brexit strategy is probably fairly limited. So, if you were in the private sector, you'd probably be now working out what the worst case scenario looks like and you'd be

preparing for a 'no deal' Brexit. Is that something that you're doing? Is that something, Anthony, that some of your councillors and counties are doing?

[134] **Mr Taylor:** I think whether we are preparing specifically for a 'no deal'—probably at the early stages of that. The issue, really, is around the breadth and depth of possible scenarios and the available resources that we have, as local authorities, to deal with that. We're already severely overstretched, due to austerity. We've got time and financial constraints. And so, on the list of immediate priorities, Brexit is next on the list, but, again, throughout all our thinking, on all our policy decisions, it's always there. But, as we work through the process, and as we get a little bit more certainty as to where we're heading on Brexit, then we can take the detailed planning decisions.

[135] **Eluned Morgan:** And to what extent do you think you have a responsibility to the people that you represent to actually warn them, 'This is on its way; this is how it may impact on you if we get a "no deal" scenario'?

[136] **Mr Taylor:** I think we have a responsibility, whenever there are issues around our service provision, to be open and honest, and this is one of the considerations that we'll have to bring forward.

[137] **Eluned Morgan:** And do you think that, by not telling them at this point, that that's being open and honest?

[138] **Mr Taylor:** I don't think we are not telling them; I think we've been open. I think we've been transparent in all the budgetary and service decisions we've made so far, and, as we work through the implications of Brexit and whatever that may bring, then we'll be open and honest as and when we reach that point.

[139] **Eluned Morgan:** And what's the latest that you, as the local authorities, will say, 'Look, actually, it's time we prepared for it.' Goldman Sachs is on its way out. So, at what point—. Because they can't risk the timeline any longer; they can't wait any longer. Where do you see that timeline for you? Is it six months before the end date or is it nine months before? Is it now? When is that date where you have to say, 'We have to start planning for that "no deal"'?

[140] **Mr Taylor:** I think it is as soon as we get some clarity in order for us to do that planning. At the moment, we don't have the time or the resources

available to put people on different scenarios that might never happen. If we plough resources into 'no deal', for instance, there's a risk, isn't there, there may be developments from the UK Government's point of view within two weeks. We have to manage our priorities at this particular time. As soon as we can get even just an inkling of clarity as to where we're heading, then we can start going through the very detailed questions that Brexit will involve.

[141] **Eluned Morgan:** But at what point—? If that clarity never comes—and it's not looking very good at the moment—what's the date? What's the time? Tim.

[142] **Dr Peppin:** There's an opportunity cost for authorities in putting resources into working on this, and that puts an onus on the Welsh Local Government Association, because we don't necessarily need 22 sets of people trying to work out what's going on. So, we are working hard to try and keep our ear to the ground on what the developments are and keep authorities informed. We are on the round table that Lesley Griffiths established, which has been looking at evidence and scenarios, for example, and that's ranging from a hard Brexit through to a softer type of Brexit. We will disseminate all the information on those scenarios to authorities so they can then use it in their own local planning. But, in terms of a cut-off date, as soon as we get firm information we will be in a position to respond. What we are trying to do is give authorities the information: 'These are the risk areas, think about these risks, and, at an appropriate time, you need to have thought how you'd respond if those risks arise.'

[143] **Eluned Morgan:** Can I just finally—? Could you send us the copies of where those local authorities, 22 of them—? Can you send us what they've done already in terms of impact assessment of Brexit, those ones that have done the work?

[144] **Dr Peppin:** We can send you some examples of reports councils have done. I know that Conwy and Pembrokeshire have both done reports setting out in detail.

[145] **Eluned Morgan:** I think that would be useful, Chair, thank you.

[146] **David Rees:** Jeremy.

[147] **Jeremy Miles:** Thank you. There's probably three areas of concern, I would say, given the evidence we've had so far, from a public service point of

view. One is a full understanding of the picture on the ground from the point of view of each organisation in terms of staffing, in terms of EU national residency rights and so on—understanding the data is the first bit. The second bit is: what is the reasonable range of assumptions you can make about what might come from a deal and, therefore, how you interpret and understand the risk coming from that data? The third, which you've emphasised to us just now, is the resource allocation question: at which point does it become reasonable for you to start allocating resources to either of those two other tasks when you've got competing resource pressures, to use a euphemistic term? Clearly, the resource issue in some way underpins all of that, because if you had plenty of resources those judgments wouldn't be as fine as they need to be in the current climate. So, what's your assessment of resource that's required and what have you asked for from Welsh Government to enable you to start doing that planning?

[148] **Dr Peppin:** What local authorities need is capacity to free up some of their existing staff that understand the issues so you can backfill. Because we don't just want a resource to get some new posts in that start from scratch, so it is about backfilling. Each authority, really, would need a resource, corporately, to work with the service areas, so they can start to collate the necessary information. We then need some sort of resource to work at a national level to collate that. We have been doing that within the WLGA from existing resources but it is putting pressure on us because it means we're not doing other things.

[149] **Jeremy Miles:** So, have you identified, say, that in each authority you're going to need between one, two or three new people in a corporate team to work with the service departments to assess the readiness of that authority and then a level of resource at the WLGA level? Have you got numbers for that analysis, if you like?

15:15

[150] **Dr Peppin:** Not at this stage, but, by working with the authorities through the questionnaire survey we did, we've got a good feel for who's working on this in each of the authorities. We said to them, when we sent the first questionnaire out, 'We'll be coming back with a series of questions to you as this unfolds', and that is an obvious one that we can work with them on, what resource would they need to actually start to develop this. It may be they can work regionally, as they are doing on a range of things now, to look at some of these issues.

[151] **Jeremy Miles:** And what's holding back that process then? These are urgent decisions that need to be taken. What's holding back the process of getting to that figure and saying, 'Look, guys, this is what we think we're going to need. We don't know what we're collecting in terms of data. We don't really know what the assumptions are, but, as soon as we've got that, we want to be able to hit the ground running and do the analysis straight away.'

[152] **Dr Peppin:** Yes. The resource issue would be holding it back—

[153] **Jeremy Miles:** No, what's holding back the resolution of that resource issue?

[154] **Dr Peppin:** That is something that we will be doing. We haven't done it yet, but it is something that we will be doing.

[155] **David Rees:** Have you discussed that with Welsh Government?

[156] **Dr Peppin:** Not explicitly. We are, as I say, represented on the EU advisory group, and that group is having general discussions about what steps need to be taken. So, it is the perfect platform for us to have that discussion.

[157] **David Rees:** But you haven't had them yet.

[158] **Dr Peppin:** Not yet.

[159] **David Rees:** Anthony, you mentioned that the vast majority of councils were prepared, but do we have the numbers?

[160] **Mr Taylor:** I don't have them to hand, but I'm sure—. Tim has promised to send them over and he can collate the numbers from there.

[161] **David Rees:** That would be very helpful, because part of the risk analysis that I would assume you've been doing is identifying exactly those figures and the requirements that they would have to do that. Thank you. It is an area that is concerning; we need to ensure we are prepared as much as possible. I will say that I'm a little bit surprised when you say—. I understand the plethora of scenarios that could exist, but the one that is constant is the 'no deal' scenario, and I would have thought that there would have been

some preparation for that. We have been elsewhere, and the Irish Government has done it; even the region of Brittany has done it. It seems that we seem to be holding back because we are uncertain as to which direction we're going in yet, but it's the one constant that's been there—the possibility of a 'no deal', so—

[162] **Dr Peppin:** Yes, and we're not saying that no work has been done. As I say, we have been involved in scenario work that is looking at the possibility of a hard Brexit, which would effectively be on the 'no deal' end of the spectrum. So, we are looking into that issue. We have done some work already on that, which we are happy to share, again, with the committee, the work that's happening there.

[163] **David Rees:** Again, that would be helpful because it would give us an understanding of how far you've gone in that type of scenario. Steffan.

[164] **Steffan Lewis:** Thank you, Chair. I wanted to turn to the NHS preparedness. Obviously, in the referendum campaign itself, specific pledges were made to the NHS, none less so than the ones that appeared on the side of buses, and I'll assume you're waiting for the £350 million a week still. But, in your written evidence, you refer to the Health Foundation analysis. Something that struck me from that analysis was that there was research carried out suggesting that there could be a shortfall of £19 billion in the NHS by 2030–31 if the UK leaves the EU but stays in the European Economic Area. I was quite surprised that there would be that dramatic level of difference between the current status of the UK as a member state and going to the EEA. I wonder if you could elaborate a little more on what the primary factors are behind that kind of shortfall.

[165] **Ms Young:** I think that analysis done by the Health Foundation was done last October, and it was a very high-level analysis and made assumptions about what would happen to the economy as a consequence and therefore what would happen to public finances, potentially. It did have quite a lot of caveats in that report that said, 'It's very early days and we're not too sure, but it could be in this scale of magnitude' and that further work would need to be done. There are a number of significant risks, which are highlighted in our evidence, to the NHS of a hard Brexit, if you like. In particular, they relate not just to workforce but to some of the regulation and research and innovation challenges outwith what might happen to public finances more generally, which might impact on the amount of money that's available to the NHS in Wales.

[166] **Steffan Lewis:** Okay. So, just on that then, the remaining in the EEA but leaving the EU financial hit comes primarily from the assumptions made on the behaviour of the economy and therefore the knock-on on public finances. And then, of course, if we leave all institutions altogether, then everything comes into play. Would that be—?

[167] **Ms Young:** Yes.

[168] **Steffan Lewis:** Thank you. In terms of your written evidence, you had issues that you wanted to raise regarding public health in particular. I wondered if you could elaborate further on paragraph 35 of your written evidence, which was specific to how the EU responds as a whole to major cross-border health threats, including communicable disease outbreak. If we leave the European Union without a deal and we leave, therefore, without being continued members of the European Centre for Disease Prevention and Control, what kind of scenarios are there then for the UK and for Welsh public health in particular?

[169] **Ms Young:** Well, at a high level, the issue would be what level of information sharing and networking and intelligence we will continue to be able to get from our partners, and put in place strategies that work across the whole of the European Union in terms of dealing with communicable diseases. So, that just becomes more difficult if we're having to do that in a bilateral way with a number of countries, or to engage with that committee while being outside of it.

[170] In terms of the detail, we can certainly provide you with a much fuller briefing on that, which we can get from Public Health Wales, who obviously have a significant role in that area.

[171] **Steffan Lewis:** Okay, thank you.

[172] **David Rees:** Suzy, do you want to go on further?

[173] **Suzy Davies:** Yes, I've got some questions about workforce. I'd like to ask the WLGA first. You mentioned that you're part of the EU advisory group and that a questionnaire survey's been sent out to your members. Have you been asked by Welsh Government at all to try and garner some figures about how many EU nationals are working in local authorities and in what departments or areas of work?

[174] **Dr Peppin:** No, we haven't had that request.

[175] **Suzy Davies:** Is it something that you could—? Have you seen the necessity to do that yourselves?

[176] **Dr Peppin:** We haven't done it yet. As I say, when we wrote out to initially get the feedback from authorities we did say we'd be coming back with a series of requests, and that is certainly one of the topics that we could look at. We don't think from talking to authorities that the figures are huge, but there will be certain areas, where, for example in social care, there may be some authorities where there's a relatively high percentage, and there may also be specific areas like, for example, materials recovery facilities where there may be a large number of migrant workers, for example. So, we know some of the areas where there would be issues, but we haven't got the hard data to date.

[177] **Suzy Davies:** When are you planning to do that, just to cross-reference with the data that we've had from the NHS Confederation? It surprised me that so many of the EU nationals are in comparatively high-status jobs. The assumption might always have been that it has been ancillary workers and so forth, and that's not the case. So, there may be unexpected statistics arising from the work that you do.

[178] I think it's also helpful—and I'm going to ask you all about this: about whether there's been any work undertaken so far to identify how many non-EU nationals who aren't British are working both in the NHS and in WLGA services, and not directly just with social care, which is the obvious one, but with those private and third sector organisations that partner with social care, because of course a lot of the delivery is done at that end. Because at the moment, even though we've got some figures from Welsh Government that are extrapolated from wider figures that may not even include private and third sector partners, we're very much in the dark at the moment, and yet claims are being made. So, can you help us as soon as possible in trying to come to some sort of fixed picture on this—all of you.

[179] **Dr Peppin:** There is another area, which is in terms of the contracts we let, in particular, say, construction contracts where there may well be numbers involved there. So, those are all areas that we will be looking to gather information on from local authorities.

[180] **Suzy Davies:** Can you give us a rough idea by when? Sorry, I'm not fixing you to a diary date, but, you know, six months, 12 months, 18 months?

[181] **Dr Peppin:** We'd certainly be looking to go out to authorities again before Christmas and try and get some results back to gather some of this type of information.

[182] **Suzy Davies:** Okay, thanks. Well, I know that one of the issues has been that not everybody self-identifies—that's what we've got—with the confed figures. Do you have figures for non-EU foreign nationals working in the—

[183] **Ms Young:** We do, and actually in some evidence we gave on Brexit, I think to the Health, Social Care and Sport Committee earlier this year, we did set out a picture that broke that down. I haven't got the figures with me, but they did show how many people we have directly employed from outside the EU as well.

[184] In terms of the staff record, I think the point here that we're trying to make in the evidence is that there are 35,000 people who haven't identified, but they are people who were already employed before the new staff record came in in about 2004. So, we are fairly confident that the figures we've got for EU nationals are right. Having said that, because there wasn't a flag on the old system for whether you were an EU national, that's why those individuals perhaps haven't identified through the electronic staff record process. There's also another aspect to the data that we need to consider. We know, for example, that the number of nurses registering with the National Midwifery Council has fallen over the last year, so that's telling us the picture across the UK, and also there are people leaving the register. So, also, we need to understand what that's telling us about the actions that people who are already employed are taking, whether or not they are going back to the EU. And then there's something about understanding the different categories within the workforce groups that we've identified here, for example. So, if you take medical and dental, we know that certain specialties have even higher proportions of EU nationals within them. So, ophthalmology is an example where I think it's about 50/50 in terms of EU nationals. So, there is some work for us to do, which we are doing, to understand that better so that we can then tailor our workforce planning to address where we think those gaps may emerge through the process of Brexit, irrespective of whether or not there is a clear agreement on citizens' rights, whatever the

outcome on that may be.

[185] I think the other point to make on workforce planning is that it's not an exact science and, as we said in our briefing, gaps can arise and it can take quite a long time to resolve those gaps because you've got to put in additional training places domestically. You can also look to your international markets to recruit more people from outside the EU, but it's a sort of balancing act, and what the figures here show you is that we have more EU nationals in percentage terms in those areas where we know we have recruitment problems. So, all of that needs to be factored into the resource planning mix.

[186] **Suzy Davies:** Well, this is why I'm asking, because I would imagine that—. Well, I don't know how it's going to look in local authorities, but certainly within the health service, where there's a bit more information, what are the risk registers looking like for each individual local health board? I would imagine that most of them are on 'red' on this.

[187] **Ms Young:** I haven't looked at each of them—

[188] **Suzy Davies:** Fair enough. [*Laughter.*]

[189] **Ms Young:** —so I couldn't tell you, but I do know what we're doing as the confederation is ensuring that we are highlighting to members the range of risks associated, potentially, with the different options around Brexit. We're also part of two UK organisations: the Cavendish Coalition, which has 30 to 40 organisations representing health and social care across the system, and that's focused on influencing UK Government and negotiations around the workforce issues; and we're also a member of the Brexit Health Alliance, which is again about 34 organisations, and that's focusing on the non-workforce-type issues. So, we're trying to provide that information in a two-way flow to our members, so we get their views and we then feed them through, and vice versa, in terms of helping our members understand the current position with regard to the negotiations.

[190] **Suzy Davies:** Okay, thank you. Have your social services departments had any sort of involvement with a similar looking-outwards approach to finding out what risks might look like, because—? The reason I'm asking this is we've got a health and social care integration agenda in front of us, which all of us hope to see be successful, but I'm getting a sense already that there's an imbalance between the two partners in that, just generally but also

particularly with Brexit. If we're already struggling to recruit people within social care, Brexit is one more risk, and I'm not getting a sense of confidence from you that this is being faced up by some of your members. Am I perhaps being a bit mean with that?

[191] **Dr Peppin:** I think, at the individual authority level, they will be looking into any shortages they've got and trying to identify where those issues arise. So, if there is an issue over recruitment, then they will look at where their sources of recruitment are coming from, and if they are coming from continental Europe, then obviously they will be looking into that in more detail.

[192] **Suzy Davies:** Can I just ask you one last question, because Brexit is just one part of this major bigger problem? The further education institutions with whom your members work—and this might apply as well to the confed—how much of a sense are you getting that the further education colleges and the schools are picking up on social care in particular but also this kind of advanced nursing as places to go for careers rather than just jobs to fill in time? Are you exerting any influence or taking any exhortations into that field?

15:30

[193] **Dr Peppin:** Yes, there are three regional skills partnerships that are looking at trends in skills needs and recruitment. They've identified that Brexit is an issue and that there may well be opportunities in the future and, therefore, that will have knock-on implications for the training so that people coming through school, further education and higher education have got the types of skills needed for jobs that may not be filled in the future. So, there is work going on in the—

[194] **Suzy Davies:** I'm a bit worried about this word, the 'future', because this is the sort of planning that needs to take place now, Brexit or no Brexit. I don't want to go off topic, but—

[195] **Dr Peppin:** The skills partnerships are doing that—they've done that work. They're looking at the skills needs of their area, so they are working with various sector groups to identify where the skills needs are, where the shortages are, what the provision is, and they're trying to get a better balance between provision and demand.

[196] **Suzy Davies:** So, when you get these data, which you're hoping to start collecting in something like December, do you think that's more likely to put the bejeebers into the skills councils to get them, perhaps, concentrating a little bit more on these areas of work?

[197] **Dr Peppin:** If it shows that the numbers are substantial, then, yes. We would feed it into the regional skills partnerships as part of the evidence. If it came out as a major issue, then they would need to build that into their forward plans for training providers to be working in those areas. If the numbers are not great—

[198] **Suzy Davies:** Then it won't.

[199] **Dr Peppin:** Yes.

[200] **Suzy Davies:** Okay. Which is why we need the data, as you say.

[201] **Ms Young:** Can I just add? The challenges in the NHS for the workforce are so great, and Brexit adds to them, but the challenges are such already that health boards and organisations are already engaged in working with schools and colleges to try and promote health careers.

[202] **Suzy Davies:** Are they promoting social care as part of this integrated picture as well?

[203] **Ms Young:** They certainly recognise the value of social care and looking at the health care support worker roles between both health and social care and the importance of promoting those together.

[204] **Suzy Davies:** Okay, thanks. I won't labour this point any further. Thank you, Chair. Thank you, everybody.

[205] **David Rees:** Dawn, do you want to raise your question?

[206] **Dawn Bowden:** Yes. It was really coming back to some of the things that Suzy was talking about in terms of the risk registers, and in your paper particularly, Vanessa, you've highlighted a number of things that clearly are at much more immediate risk than I think we see from the colleagues in local government where things are slightly more contained within the country, almost. But you talk about the issues around cross-border healthcare—one of the things that Steffan Lewis already referred to—but also the stuff around

the European health insurance card, about Britons living abroad, Europeans here getting healthcare, we've talked about the public health agenda, the research and innovation, the regulations of health technologies—all of this stuff, and I'm trying to get a sense of whether—. You know, you clearly have identified all of these as potential risks and you're clearly feeding into the Cavendish Coalition and the Brexit Health Alliance about what you want to see happen, but are you—? I'm not quite clear about what it is the health service in Wales is doing potentially as a contingency, or are you making assumptions that we are bound to get agreement on these things, because the alternative is just too horrendous to contemplate? Or is there some serious consideration that you've got to start thinking a bit more innovatively because some of these things may not happen and may not continue?

[207] **Ms Young:** I think there's been a shift over recent weeks, actually, because if you look at the issue about citizens' rights, there have been some clear statements of principle agreed. There's a concern that, you know, we would like to see the in-principle agreements ring-fenced so that we can perhaps recognise that people who live here will be able to remain and work and that we'll have reciprocal healthcare arrangements for people travelling on holiday but also for UK residents living in the EU, and there's a concern that if that isn't ring-fenced, then it might be reopened later on and that would be a problem. But I guess with the increasing discussions around the prospect of a 'no deal' scenario, we are probably now getting into the point of saying, 'Okay, what does that mean for us?' Most of the issues that we've identified in our paper are UK-level issues—they're not issues that can really be solved by individual organisations and we will just need contingency plans for dealing with the impact of them. So, if we take something like if there isn't a deal around maintaining as much symmetry with research and innovation arrangements or regulation, then we would need to be thinking about, 'Okay, if we're going to have no deal, what is that going to mean for how long it's going to take to get medicines approved, how long is it going to take for medicines to be transported through borders—really practical things—and what's that going to mean for our day-to-day services?' So, we haven't got into that level of detail. What we have is we are starting more detailed discussions with the Welsh Government than we have had up to now. So, the discussions up to now have been more about, 'Let's all identify what the issues are, and are we clear about what our preference would be?' We are now getting into more detail as they get into more detail with discussions with the Department of Health about, 'Okay, what's the consequence going to be for us if it is a 'no deal'? What do we need to think about?' So, that's the next stage—

[208] **Dawn Bowden:** So, you are at that level of having a discussion now with Welsh Government on—

[209] **Ms Young:** Starting with that, yes.

[210] **Dawn Bowden:** —what a ‘no deal’ scenario might mean.

[211] **Ms Young:** We know that there are discussions at the beginning of November between Welsh Government and Department of Health, and from that, then, we can start to say, ‘Okay, what are the scenarios under each of the risks that we’ve identified that we need to be thinking about?’ Then, through the confederation acting as the conduit between Welsh Government and the NHS organisations, we can try and draw in the information about what that practically means on the ground and then how we are going to mitigate that.

[212] **Dawn Bowden:** And you’ve presumably been talking to your counterparts in England and Scotland as well.

[213] **Ms Young:** Yes, indeed.

[214] **Dawn Bowden:** Okay, thank you.

[215] **David Rees:** Mark.

[216] **Mark Isherwood:** Thank you. If I could start, if I may, with a brief supplementary to Suzy’s question with reference to gathering information from third sector providers. From social housing to housing-related support, substance misuse to employability, social isolation to mental health support, palliative care to physical activity, and much more, a lot of the heavy lifting in both health and social care is done via the third sector. So, in addition to gathering information, what actual or proposed planning would you propose to undertake with those third sector partners who are already delivering, either with you or alongside you?

[217] **Ms Young:** We’ve had some initial discussions with the umbrella body for the voluntary sector, for example, about what they see the risks as being, through sessions that we’ve had with the Bevan Foundation. But that’s very much an umbrella-body-to-umbrella-body discussion about identifying what the risks are. I guess once we get to the point where we start to do

contingency planning and think about that, then we'll need to do that at a local level, a regional level and a national level, and so you can see the issues being explored in public services board forums, regional partnership board forums and then at a national level too, because the potential for impacts will be felt at all of those. But, that hasn't yet happened. Although it may be that there have been general discussions about Brexit at a regional and local level, there have not in a systematic way, as yet.

[218] **Mark Isherwood:** And WLGA.

[219] **Mr Taylor:** I wouldn't differ from that analysis from a local government point of view. I think those conversations are going on at a more general level, and, as we go forward, we need to work locally, regionally and nationally to get that picture.

[220] **Mark Isherwood:** Okay. Moving on to my specific questions, there are a number of EU programmes that we've heard referred to in various meetings, here and elsewhere, that members of the EEA, EFTA or even members who don't belong to any European body have access to. Can you identify any EU programmes that, whatever the outcome might be, you believe that we need to remain members of?

[221] **Ms Young:** Horizon 2020 and the next iteration of that, and so we are supportive of the detail that was contained in the White Paper that talked about us continuing to be able to access that programme. It's a win-win. We are very highly regarded and we have benefited significantly from that funding. It's in both our interests and the interests of the EU that UK scientists and clinicians are able to continue to participate in those funding arrangements. But if that needs to be a pay-to-play model rather than as it is currently, then it's about negotiating around what that payment might look like, I guess, so that we can reap the benefits of it.

[222] **Dr Peppin:** Again, certainly Horizon would be another one for local authorities, because the research and development side is very valuable for universities and other businesses in local authority areas, and local authorities themselves have been involved. I think there are various programmes like the LIFE programme, as well, on the environmental side, and Erasmus and Erasmus+, the educational exchanges, we'd see all of those sorts of things as valuable, and we also hope that we can continue engagement in some of the international co-operation agreements, like the Ireland-Wales agreements, if that is possible, because there are clear

benefits from being able to learn from good practice and share experiences across countries.

[223] **Mark Isherwood:** A final question. What, if any, engagement have you had internationally with parallel organisations—not just within the EU, potentially beyond—about how you could potentially do things differently, post Brexit, in whatever format?

[224] **Dr Peppin:** We have representation on the Council of European Municipalities and Regions, which is the European-wide network of local authority bodies. There's also the Committee of the Regions, which we have representation on, and through those sorts of networks—. We've currently got a Brussels office, which helps us in terms of aligning with some of the other activities going on across Europe.

[225] **Mark Isherwood:** Any non-EU nations or EEA or European free trade area nations or regions?

[226] **Dr Peppin:** Some authorities have various partnering arrangements, or twinning arrangements, with a range of countries, and they can be quite useful in terms of developing those sorts of networks too.

[227] **Ms Young:** The NHS Confederation across the UK, we have a European office. So, we have an officer there, a director there, who's obviously very key to keeping us informed of what's happening. The confed has a partnership arrangement with a company called the Advisory Board Company, which is a national research company. So, while we're not talking to them specifically about Brexit, we do talk to them about healthcare models from across the world and what's working in the face of the major challenges facing health and social care, but not specifically in relation to Brexit.

[228] **Mark Isherwood:** Okay. Thank you.

[229] **David Rees:** Before I bring Suzy in, I have a couple of quick questions. On the Brussels office, will you be maintaining that till the time we leave, and will you be keeping it beyond? Because if you are talking about hoping to continue with some of those programmes, surely the ability to discuss and meet with our European counterparts, in that sense, will be very important for that?

[230] **Dr Peppin:** Unfortunately, we've taken a decision that we won't be

keeping the Brussels office open beyond next March, but we are going to retain links with people over there and we will still be operating all the functions we provide, but we'll be basing those from the Cardiff office. So, we've had discussions with partners in Wales House in Brussels, and also with the Local Government Association, so that we will be able to send delegations over and hot desk from those locations. So, it's just a question of, operationally, a lot of the work—

[231] **David Rees:** You will be doing it differently, in other words?

[232] **Dr Peppin:** Sorry?

[233] **David Rees:** You'll be doing it differently?

[234] **Dr Peppin:** We'll be doing it differently. We won't be stopping doing the things we do, but we will do it differently.

[235] **David Rees:** And in relation to the European programmes—Mark highlighted the question, which one you want to keep—but many of our local authorities benefit from structural funds and other forms of funding from those European programmes. Have you yet estimated the costs that will be lost from those programmes ceasing? And have you had discussions with the LGA as to what the shared prosperity fund might be looking like post Brexit?

[236] **Dr Peppin:** Yes, on both. The first survey we did asked authorities to tell us how much funding they were receiving from various European programmes for their areas. That was a more difficult question to answer than you might think, initially, because there's a range of different organisations receiving funding. Some of those projects operate regionally, so it's quite hard to say, 'This amount of that regional project was spent in our local area.'

[237] So, we have got information from the local authorities on various projects they've been involved in and how much they've been spending, but it's difficult to actually aggregate that across authorities at the moment because they've all given slightly different responses. It is something we're working on, it's part of the data collection we're doing to try and get a better handle on it. Some authorities have given very detailed breakdowns of the different funding sources, others have been only able to provide parts of the picture at the moment. So, it's something we're working on.

[238] On the shared prosperity fund, our understanding, through our—. We are working very closely with the LGA, as we are with the Convention of Scottish Local Authorities and the Northern Ireland Local Government Association, and our understanding on the shared prosperity fund is that things have stalled a bit at the moment because of the discussions over a transitional period. So, initially, we thought the UK Government was going to consult on the shared prosperity fund around the time of the autumn statement. But the latest we've heard is that that could be knocked back a bit now while they're looking at the implications of the transition period, because during that period, we could continue to operate under the existing programmes. So, the shared prosperity fund may not come in at that point. Our position on the SPF is that we believe the funding should be allocated to Wales to operate within a Welsh context, meeting local priorities.

15:45

[239] We're against the idea of a UK-based fund where local authorities and other partners in Wales would be bidding into that UK fund against local enterprise partnerships in an English context, and potentially losing out on the basis of the funding going to the areas of opportunity, as opposed to, at the moment, where it reflects the greatest need.

[240] **David Rees:** Okay, thank you. Suzy and then Jeremy.

[241] **Suzy Davies:** We were in Brussels last week where we heard from representatives from regions as well, and I just wanted to—. Some of them are very concerned about how they're likely to be affected by Brexit, because of trade and other common areas of interest, shall we say. They, of course, have to feed their concerns into the EU-27 negotiating position. What have the experiences of your representatives on the Committee of the Regions been like in helping to form common arguments that will inform not just the UK position, but also the EU-27's position? Just give us a sort of rough guide.

[242] **Dr Peppin:** Obviously, we only have two representatives—one is the main rep and one is the alternate. So, our numbers in terms of the overall Committee of the Regions are small to influence things. But there are groupings on the Committee of the Regions, and, from what we hear, they work quite effectively in that the groups will come together. Obviously, they group on the basis of their politics and their interests, so there is the ability to work with a block of people with similar interests that can then have an influence over the way that policy is developed.

[243] **Suzy Davies:** Are you getting a sense that it is feeding up through to the top on both sides of the negotiation?

[244] **Dr Peppin:** We certainly see the Committee of the Regions as an important institution. As it stands at the moment, the Committee of the Regions is the way that local and regional bodies are able to have a formal input into EU legislation. Now, with Brexit and coming out of that, that formal input into legislation won't necessarily apply at the UK level. So, there are arrangements, through the CoR, that local and municipal regions can feed in to the legislative process. If that legislation is now moving over to the UK Government, there isn't a comparable arrangement. So, the Local Government Association is calling for some sort of partnership arrangement at a UK level. We have that in Wales, in the sense that we've got the partnership council, and the LGA is actually asking about the partnership council as a model, because they want a similar comparable arrangement at the UK level. Similarly, the Convention of Scottish Local Authorities is interested in a committee of the regions for the UK. They're recognising that legislation making in the UK will require a formal mechanism for the UK Government and the devolved administrations to have that, and the local authorities will want to feed in as part of that process.

[245] **Suzy Davies:** Okay, thank you. I was thinking of the soft diplomacy side of things, but I think you've answered my question. Thank you.

[246] **Jeremy Miles:** Can I go back to the question—*[Inaudible.]*—in Brussels that you raised a moment ago? When we were there last week, or two weeks ago, we talked to a number of third-party countries, and their clear steer to us was that, after having left the EU, countries need a bigger presence rather than a smaller presence in order to make their voice heard, which, on reflection, makes sense. So, in your decision to withdraw from Brussels, did you take into account the arrangements that other third-party countries make for comparable organisations and their presence in Brussels?

[247] **Dr Peppin:** We work with the other organisations through the Brussels office, so there's the UK Brussels office meeting where all the different offices come together. We are aware of the set-up in the other member states and other countries that are non-EU, so there are links with those. I think our decision was based on the fact that the focus for our work has increased in Wales and in London, and just through capacity issues that's why we feel that we're better off concentrating the resource here where the

bulk of the focus of our efforts to lobby and intervene are, and sending delegations over to Brussels as and when required, and that could be delegations of members and officers tailored to the specific issues being discussed. It's quite difficult for a small office to be expert in everything. So, it's great to have the presence there—in an ideal world, we'd have wanted it to continue—but in order to lobby effectively, we're trying to put our resources where they can be most effective.

[248] **Jeremy Miles:** Okay. So, is that effectively—? When you say 'lobby', do you mean in relation to the process of Brexit, effectively? So, your analysis is that decisions on that have been taken in the UK, in London and in Cardiff, and so, whilst that process is being negotiated, that's the focus of your efforts, but perhaps, in the longer term, you might revisit that. Is that fair?

[249] **Dr Peppin:** That's a distinct possibility, yes.

[250] **Jeremy Miles:** Okay.

[251] **David Rees:** Michelle Brown, do you have a question?

[252] **Michelle Brown:** Thank you. I appreciate at the moment that things are somewhat up in the air and it's very difficult for you to come up with plans. There are two parts to my question, really. What do you need from central Government and Welsh Government in order to come up with those plans for a post-Brexit scenario? What's the minimum that you need? And once you've got that clarity from central Government and Welsh Government, how long realistically do you think it will take for you to put plans in place? I'd ask that question to each of you.

[253] **Ms Young:** Shall I go first? So, one of the things I think would help from Welsh Government is more communication about where the negotiations have got to and what that potentially means for public services, because at the moment we're a bit reliant on what we hear in the news or what we read in newspapers as to the next set of developments. So, I think there's something quite helpful about having a consistent communication about that coming from Government. I think, for us, there's something about distinguishing between the policy context and where that will be discussed and decided nationally, UK, but how Welsh Government influences that, and then, distinguishing from that to the practical, what the implications of different scenarios are on the actual running of health services, and what scenarios we should be thinking about. So, if we could have more

information or more of a dialogue to establish that—which I think, as I said, is, we hope, coming now—then that will help us to work with our members to work up practical contingency plans.

[254] I think we do have concerns about just the resources within the system to deal with this—resources within Welsh Government—just in terms of the effort and amount of work that are associated with trying to understand all the different elements of legislation that could be coming our way, taking a policy view on that and then actually doing the practical work that needs to be done, and, similarly, within our own organisations. But once we can establish what the scenarios are, then we can start to think about how we need to resource that effectively.

[255] **Mr Taylor:** I think, similarly, good two-way communication between the local government sector and the Welsh Government is key. I think we need to be aware of what's going at the top tables here, in Brussels and elsewhere, but I think they also have to be aware of the constraints currently on local government and our ability to deal with that. I think it's the ability, from our point of view, to have our say at the earliest possible opportunity on publications and reports in papers so we can offer that input, rather than getting to the end of the process and then having our input there. And I think it's about starting to work through those questions. We've mentioned regional policy. We've been talking about replacements for structural funding and how that's distributed, and the direction of travel once Brexit has happened, as the powers transfer back to Westminster, back to here and possibly even further down towards the local government sector as well. So, those are the discussions we need to be having at an early stage to progress that.

[256] **Dr Peppin:** Just to underline that, I think that's really important that the earlier we can come in and influence at the development stage, the better. And I think it would be easy to get swamped with information at the moment; there's so much around Brexit that's been published. If we can work on an issue-by-issue basis and pick out, 'These are the particular questions we have to deal with', we, through our connections in local government—. There will be experts in local authorities across Wales that we can draw on on specific issues that can then inform the discussions at an early stage. What we don't want is to get a fait accompli after negotiations have taken place, then local authorities are expected to implement something or run a set of regulations in accordance with something we haven't had an input into. It may well be that local authorities can identify a

better solution if we're involved early enough. So, I think that early intervention is crucial.

[257] **Michelle Brown:** Are you confident that you will be able to give that early input? Are the relationships there for you to—? Is the facility there? Is the route of communication there for you to actually put that input in?

[258] **Dr Peppin:** We've been out to local authorities and said, 'We are likely to come to you at very short notice and ask for input on a range of issues as this process unfolds', and the authorities have responded positively to that and said, 'Let us know what the issues are, and if we've got something that can help you in dealing with those specific issues, then we'll identify the best people'.

[259] **Michelle Brown:** And what's your route to feeding back into Welsh Government at an early stage? Do you have a reliable route to do that?

[260] **Dr Peppin:** It's variable at the moment. For example, Lesley Griffiths set up a round-table on environment and rural affairs, which is a really good opportunity. They've got a number of sub-groups. We've brought in local authorities that have got involved in some of the sub-groups, and that is a very easy communication method. With some of the other sectors that haven't got those sorts of arrangements in place, it's more difficult. But we would like to see similar arrangements across the board.

[261] **Michelle Brown:** Thank you.

[262] **David Rees:** Am I right in my assumption then that this will be a topic on the WLGA agenda in your regular meetings with the Welsh Government?

[263] **Dr Peppin:** Sorry?

[264] **David Rees:** When you're meeting with the Welsh Government, Brexit and the implications will be a topic on your agenda, I would have assumed.

[265] **Dr Peppin:** Yes. Most definitely, yes.

[266] **David Rees:** Anthony, you've mentioned an interesting question, actually. You talk about the devolution of powers as a consequence of the EU withdrawal Bill. And, now, we're actually highlighting the issues relating to devolution to the Assembly, but you've highlighted perhaps devolution down

to the next level. Have the WLGA had those discussions as to perhaps where they see elements that could go to the local authorities?

[267] **Mr Taylor:** I think there have been discussions on limited issues, and I'll give you an example of one suggestion that has come forward. If you're looking at structural funding, at the moment the Welsh European Funding Office is realistically the decision-making body. With the city regions development, do you take that down another tier? It's a point that's open for discussion about how far down the line you drop. That's an isolated example. I don't think there's probably been a uniform discussion across the board, but there is a clear opportunity to reassess how far down the devolution ladder we go on everything that transfers back.

[268] **David Rees:** So, you haven't had the discussion yet.

[269] **Mr Taylor:** We haven't had a broad discussion. On that particular issue, yes, but more broadly, no.

[270] **David Rees:** Jeremy, do you want to ask anything else? No. Eluned.

[271] **Eluned Morgan:** Can I ask the health confederation—? I thought your paper was excellent, by the way; I thought it was really comprehensive. I was quite intrigued by the fact that, actually, you've seen an increase of 6 per cent in EU citizens working in the NHS since 2016. How do you account for that?

[272] **Ms Young:** Well, one of the possible factors is the 'Train. Work. Live' campaign, where we have been promoting recruitment to Wales, particularly within medical and dental, and you can see an increase there. I can't be 100 per cent sure that that's what it is, but that's likely to be a factor.

[273] **Eluned Morgan:** And that's across the whole EU. That's been marketed across the whole of the EU.

[274] **Ms Young:** It has, yes. And, as the paper says, it's too early to say whether or not that's a trend, or whether it happens to be that this year has been a particularly strong year for us because we have been very active in our recruitment, not just through 'Train. Work. Live' but also more broadly because of the challenges that we're facing. But, I think it's one of the issues that we haven't routinely collected and analysed EU nationals data until Brexit, so we're going to have to keep monitoring it to see whether or not

there are trends. So, the other data that I've seen was that there has been a 96 per cent reduction in the number of national midwifery council registrations in the last year, I think, from July last year to April this year. So, that's telling you a different story. So, that's why the data is really quite important to us, to be able to look at a number of different data sources together, to tell us what the real picture is, and we need to monitor it over time to see what changes are really taking place, and then seek to understand the underlying reasons. But it will be because of a number of factors.

[275] **Eluned Morgan:** You said a 96 per cent reduction in midwifery registrations. Is that from the EU in Wales, or is that a UK figure?

[276] **Ms Young:** A UK figure. That's a UK figure.

[277] **Eluned Morgan:** EU UK. Wow. Okay.

[278] **Ms Young:** In July 2016, it was 1,300 compared to 46 new joiners in April this year.

[279] **Eluned Morgan:** Wow. Thank you. Just on the mutual recognition of qualifications, which is something else that you flagged up, what's the difference in terms of the time and the complications if you're from outside the EU? So, one of the things you flagged up is that you don't require pre-registration if you're EU and you don't need language testing. I think a lot of people, actually, would quite like to see language testing irrespective of where you come from. So, what's the difference in terms of time?

16:00

[280] **Ms Young:** I haven't got an actual figure for that. I'd also say that there has been language testing introduced, and actually that's one of the factors that might contribute to that number of registrations decreasing, and that's a point that's made by the national midwifery council. And I know there are concerns about that testing process actually making it more difficult to translate EU applicants to actually EU employed individuals, because people are finding that test very difficult. And there are conversations taking place at a policy level as to whether or not those requirements are the right ones in terms of the skills that we should be prioritising and seeking.

[281] And I think it's also fair to say the NHS wants to find a process that

enables us to recruit people who have the right skills and abilities as quickly as possible, but we want to make sure that we do that in a way that maintains and protects patient safety and quality of service. And some other bodies may have a different view about having a generic process or a fast tracking, and there are elements within that that, actually, Brexit allows us to take a different view on. And so there might be some things that we think are too rigid and some things where we want to impose higher standards. So, that's quite an area of interesting contention, I think. But the key issue is that, if we can have a process that satisfies all those things, and is quicker, then obviously the NHS would want to see that, recognising our workforce challenges.

[282] **Eluned Morgan:** Can I just ask you to put on the record some of the figures that you've set out in your paper from the Health Foundation? Would you mind just saying those for the record, so the shortfall, £19 billion by 2031—?

[283] **Ms Young:** At a UK level.

[284] **Eluned Morgan:** Yes.

[285] **Ms Young:** I will share with you, with the committee, the report that the Health Foundation wrote. It comes from a report called 'The Path to Sustainability', which looked at the financial outlook for health and social care in Wales up to 2031. And it focused on what the challenges are within the service currently, and there is a small section, as I say, at the end of the report—because it was fairly early days at that point—to say, 'Brexit opens a whole new can of worms', and, at the worst-case scenario, those are the scale of the figures. But let me share that report with committee.

[286] **Eluned Morgan:** So can I, for the record, just say that the report that you've written is that, under the EEA rules, we'd be £365 million a week worse off and, if there was a 'no deal' scenario, we'd be £540 million a week worse off in the NHS?

[287] **David Rees:** [*Inaudible.*] You haven't got to answer that.

[288] **Ms Young:** Well, let me send you the report, so, if there is a mistake in our figures, then we can ensure that you get the right ones.

[289] **David Rees:** I'm conscious of the time, and I very much appreciate—.

I've got two quick questions, one for the WLGA, and perhaps one for both. For the WLGA, clearly, the impression I'm getting this afternoon is the NHS are further down the line of data collection and analysis currently, and I understand the comments you made at the start: you have to decide when you want to use the resources because you have limited resources and what scenarios are available. And you were asked at the beginning when you think you'll be in that position. But perhaps I can ask, based upon the type of information you've heard, and the type of questions you've been asking, when do you think you'll be in a position, either by date, or by which part of the process you'd expect to be in of exit, where you'll be in a situation where you'll have the data, you'll have the analysis, you'll fully understand the risks to all the local authorities across Wales, so you'll be able to put your position clearly to the Welsh Government on what is needed and what actions need to be taken. So, either perhaps a date—when I say date, the month would be fine—or perhaps a point in the process that is being followed where you think you'll have that, before we exit the EU.

[290] **Dr Peppin:** I would say before the end of this financial year.

[291] **David Rees:** So, basically, before the end of March.

[292] **Dr Peppin:** Yes.

[293] **David Rees:** Thank you.

[294] And in a sense—for both of you—we've been trying to ascertain, perhaps, the support you've been getting from Welsh Government into achieving all this, and are you aware of any work being done by the Welsh Government that will mitigate those risks for you? Are you involved in any of that work? NHS.

[295] **Ms Young:** We understand that civil servants in the health department are seeking to engage with civil servants in the Department for Health, and it's early days in terms of the work that they're doing together to understand the consequences, but we are confident through our relationships with the civil servants that, when they have something to share with us that we can work with them on, they will engage with us and we will in turn engage with our members and feed information back through. So, I think the mechanics are there, but we have to wait now for the further discussions with the Department of Health.

[296] **David Rees:** And the WLGA.

[297] **Dr Peppin:** I think one of the issues for us is that we need to go out to local authorities with a purpose. If we go out with lots of requests when people are already very stretched then it's difficult to get responses. I think if we're dealing with things on an issue-by-issue basis and there's clarity over why we need certain types of information, it'll be much easier for us to get the sort of feedback we require. So, that's the way I think we'll progress this. There'll be a range of issues between now and the end of the financial year where we'll be gathering information from authorities to build up that picture, and what we would like from the Welsh Government is that sort of openness so that, if they are discussing things like new UK-based frameworks, we're involved in those discussions. Because we can be much more effective if we're going out to get something with an end in sight than if—. Local authorities' concern would be that we're just coming out with endless requests for them to spend time gathering data and sending it in to the WLGA.

[298] **David Rees:** A lot more focus, in other words.

[299] **Dr Peppin:** Yes.

[300] **David Rees:** But that, of course, is dependent upon focus being achieved through the negotiation process.

[301] **Dr Peppin:** It is, yes.

[302] **David Rees:** Are you in a position to respond quickly? You've highlighted your concerns about resource capacity. Are you going to be in a position to respond quickly on that basis?

[303] **Dr Peppin:** I think we can respond quickly, and we've had a number of instances where we have been able to do that—for example, when the LGA was preparing their response on the shared prosperity fund we used our contacts in local authorities, fed back some comments very quickly, and that informed the LGA paper. So, when we've got a specific thing in mind, we have got a good network of contacts in the authorities and we can go out and get views and intelligence that we can then use to assist the process.

[304] But, as I say, that goodwill wears thin if we're going out constantly with data requests for things where people can't see an end in sight for it, or

a purpose in sight.

[305] **David Rees:** Okay, thank you. Well, time has come upon us, so can I thank you very much for your evidence this afternoon? You will receive a copy of the transcript. If there are any factual inaccuracies, please let the clerking team know as soon as possible. Once again, thank you for your time this afternoon.

[306] **Dr Peppin:** Thank you.

16:08

### **Papurau i'w Nodi Papers to Note**

[307] **David Rees:** If Members are prepared to move on to item 4, papers to note, we have two papers to note. The first paper is correspondence from the Llywydd to myself on the EU withdrawal Bill. The second paper is correspondence from the Llywydd to the Secretary of State for Wales on the EU withdrawal Bill. Are Members content to note those papers?

[308] **Suzy Davies:** I've got one question arising, if that's okay. It's just on the second of those two letters. I appreciate it comes from the Llywydd, not from yourselves, but obviously there's been engagement with the Chairs before this letter was written. I think it's because I don't understand what the Secretary of State's expert panel is. Is the main issue that this Parliament is not represented on that stakeholder panel—we've only been offered observation status—or is it more a case that, if we were on that stakeholder panel, it would limit our argument that we should be having direct contact with the various UK Government departments?

[309] **David Rees:** From what I understand of the meeting I had with the Llywydd, she had been requested to send officials to a panel that was being established by the Secretary of State for Wales.

[310] **Suzy Davies:** Yes. But we don't know anything about it.

[311] **David Rees:** She took consideration of the role that those officials were asked to be playing or not, and it was quite clear from the considerations of all involved, I think, that the Assembly itself was undertaking similar work, and that it was felt it'd be stronger if we undertake our work separately from

the Secretary of State's panel, and that perhaps that's the way forward she wished to go forward.

[312] **Suzy Davies:** Yes, I don't dispute that at all. Okay. Well, I might ask her myself on that as well. It was just an opportunity, I thought. Anyway, thank you.

[313] **David Rees:** Other than that, are Members content? In that case, we'll note those papers.

16:10

**Cynnig o dan Reol Sefydlog 17.42(vi) i Benderfynu Gwahardd y  
Cyhoedd am Weddill y Cyfarfod  
Motion under Standing Order 17.42(vi) to Resolve to Exclude the  
Public for the Remainder of the Meeting**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to  
gwahardd y cyhoedd o weddill y exclude the public from the  
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in  
17.42(vi).*

*accordance with Standing Order  
17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[314] **David Rees:** Item 5: I'd like now to resolve to exclude the public from the remainder of the meeting. Under Standing Order 17.42(vi) we'll continue the remainder of the meeting in private. Are Members content? Then we move into private session.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 16:10.  
The public part of the meeting ended at 16:10.*